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Voluntary - Public

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Turkey

Post: Ankara

Import Duty for Fattening and Slaughtering Cattle Reduced

Report Categories:

Livestock and Products

Approved By:

Clay Hamilton, Agricultural Counselor

Prepared By:

Samet Serttas, Agricultural Specialist

Report Highlights:

Two new import regimes were published in the Official Gazette on August 7, 2010 and August 13, 2010. According to this new regime the customs tax for imported live fattening cattle was decreased to 40% from 135% until 04/01/2011 and custom tax of live slaughtering cattle decreased to 40% from 135% until 12/31/2010.

General Information:

Two new import regimes were published in the Official Gazette on August 7, 2010 and August 13, 2010. According to these new regimes, the customs duty for imported live fattening cattle was decreased to 40% from 135% until 04/01/2011, and the custom duty of live slaughtering cattle decreased to 40% from 135% until 12/31/2010. Private companies owning more than 250 cattle will be able to import fattening cattle and should feed them for 120 days. After 120 days of fattening, importers will be able to slaughter cattle which are imported under this regime. Private companies can also import live slaughtering cattle to Turkey at 40% custom tax.

U.S. livestock genetic demand was already very high, but after this change, demand for U.S. genetics, live dairy slaughtering and fattening cattle, sheep and goat will increase. This is significant as demand had already increased due to earlier government incentives. Turkey and the United States are currently negotiating protocols for imports of fattening and slaughter cattle as well as live sheep and goat.

In response to high red meat prices, the Turkish Council of Ministers announced import quotas for live slaughter cattle and beef on April 30, 2010. These quotas were to be administered by the Meat and Fish Institute (a government organization) via public tenders.

Meat and Fish Institute (EBK) imported 16,000 MT of live slaughter and fattening cattle under the first import quota which was issued in April 30, 2010, and 50,000 MT of live fattening cattle under the June 29, 2010 import quota which was about 100,000 MT of quota.

The EBK import tender, however, was not successful in decreasing meat prices. For this reason, the government decreased the custom tax of live slaughter and fattening cattle to 40% from 135%. According to industry sources, private companies are planning to import 20,000 head of live fattening and slaughter cattle in the near future. The Turkish government also seems interested in finalizing an import protocol for this type of animal with the United States.

The EBK sells meat to private traders and grocery stores, and also runs several of its own stores where consumers can shop. The table below shows EBK meat sale prices and prices for beef in commercial stores. The EBK announced that its wholesale cost of imported meat was 6.95 USD/kg carcass weight. Due to high demand to import cheap meat which is sold at EBK stores, lines formed in front of limited EBK stores. EBK is now planning to sell imported meat in supermarkets.

Table 1: Red meat price

Turkey: Red meat price		
TYPE OF MEAT	EBK PRICE (USD/KG)	MARKET PRICE (USD/KG)
Minced cattle meat	10.9	15.9
Diced cattle meat	12.7	19.9
Beef steak	15.7	18.5
Beef chop	16.4	18.5
Beef fillet	17.4	19.2
Sheep leg cuts	19.2	21.2
Leg shoulder	17.2	18.5
Sheep chop	25.8	27.8
Sheep neck	15.2	17.2

Table 2: New customs duty for live fattening cattle

Turkey: New custom tax for live fattening cattle				
HS CODE	NAME OF PRODUCT	CUSTOM TAX LEVEL (%)		
		EU&EFTA	Bosnia Herzegovina	Other Countries
0102.90.49.00.00	Others	40 ⁽¹⁾	40 ⁽¹⁾	40 ⁽¹⁾

⁽¹⁾ Custom tax level will be 135% from April, 2011

Table 3: New customs duty for live slaughtering cattle

Turkey: New custom tax for live slaughtering cattle				
HS CODE	NAME OF PRODUCT	CUSTOM TAX LEVEL (%)		
		EU&EFTA	Bosnia Herzegovina	Other Countries
0102.90.51.00.00	Slaughtering	40 ⁽¹⁾	40 ⁽¹⁾	40 ⁽¹⁾
0102.90.61.00.00	Slaughtering	40 ⁽¹⁾	40 ⁽¹⁾	40 ⁽¹⁾
0102.90.71.00.00	Slaughtering	40 ⁽¹⁾	40 ⁽¹⁾	40 ⁽¹⁾

⁽¹⁾ Custom tax level will be 135% from December 31, 2010

A new cabinet decision about livestock credit support published in the Official Gazette dated August 1, 2010 replaced the cabinet decision published on January 29, 2010. According to new cabinet decision livestock investors will be able to get credit at zero interest rate with seven years of installment plan.

Government allocated 4 billion 858 million TL to this support.